



Committed to the future of rural communities.

United States Department of Agriculture
Rural Development

TO: Participating GRH Lenders
FROM: Iowa's USDA, Rural Development Single Family Guaranteed Rural Housing Program (GRH) – November 2005

**** PLEASE DISTRIBUTE TO ALL WHO UTILIZE THE GRH PROGRAM ****

NEW NEWS

WE HAVE MONEY! Please send us those **complete applications**. We cannot reserve funds at this time but we can obligate a complete application package. (That means the Conditional Commitment will not have that funky wording about being subject to FY 2006 funding...)

The **Income & Property Eligibility website** address has been **updated**. Please note this in your Bookmarks/Favorites. Better yet, visit it today if you never have!
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

There have been a few **Handbook Updates**. Hard copies of Iowa's GRH Handbook are not distributed. The Handbook may always be found at <http://www.rurdev.usda.gov/ia/rhsg.html>.

- ☒ Page I – it has been renumbered.
- ☒ Page II – Exhibit A has been removed from the handbook.
- ☒ Pages 1 & 3 – Eligibility web address has been updated.
- ☒ Pages 2, 4, 5, 6, 7, 8, & 9 – A few pages were renumbered.
- ☒ Page 3 – Reflects recording the CAIVRS number on Form 1980-21 rather than the 1003.
- ☒ Exhibit A has been removed. Area Eligibility should be determined by visiting the eligibility website at <http://eligibility.sc.egov.usda.gov>. This link may also be found in the Handbook, page II.
- ☒ Exhibit D has been reformatted, same information.

Iowa staff remains committed to providing *excellent* service with a **24 hour turnaround** of complete application packages.

PROCESSING

LTV of 102% - that is 100% of the **APPRAISED VALUE PLUS THE 2.00% GRH FEE**.

Examples:

\$100,000 purchase, repairs, & closing costs

\$100,000 appraisal

Applicant is going to pay the GRH fee out of pocket

$\$100,000 \text{ loan} \times 2.00\% = \$2,000 \text{ GRH fee}$

\$100,000 purchase, repairs, & closing costs

\$100,000 appraisal

Applicant wants to finance the GRH fee

$\$100,000 \text{ base loan} / .98 = \$102,040.81 \text{ Total Loan with } \$2,040.81 \text{ GRH Fee}$

DID YOU KNOW...

WE HAVE MONEY AVAILABLE!!!

NEW ADMINISTRATIVE NOTICES (ANs)

ANs for the last 12 months may be found at http://www.rurdev.usda.gov/regs/an_list.html.

AN 4114 – Existing Dwelling Inspection Requirements & Acceptable Origination Appraisal Forms

The purpose of this AN is to elaborate upon the forms of dwelling inspections acceptable for loans guaranteed under the SFHGLP. **Iowa will continue to accept Exhibit E from our handbook.**

The intended outcome of this AN is to restate that the SFHGLP accepts appraisals prepared by FHA roster appraisers in accordance with HUD Handbook 4150.2 as meeting the inspection requirements of RD Instruction 1980-D, Section 1980.341(b)(1)(i).

This AN replaces RD AN No. 4052 (1980-D) dated February 28, 2005, which referenced a VC Form prepared by FHA roster appraisers. FHA will retire the VC Form on January 1, 2006. In its place, FHA will accept new appraisal forms. This AN contains new and updated guidance due to the change in appraisal forms approved by Single Family Housing and FHA's new comprehensive valuation protocol.

AN 4111 – Requirements related to New Construction & Homes in PUDs

This AN clarifies:

1. Regulatory requirements dealing with lender loan file documentation requirements for newly constructed homes.
2. Regulatory requirements when the guaranteed loan is used to purchase a home in a Planned Unit Development (PUD).

This AN replaces AN No. 4011 (1980-D) dated September 30, 2004.

USEFUL INFO

Iowa GRH Handbook <http://www.rurdev.usda.gov/ia/rhsg.html>

All Iowa GRH Newsletters <http://www.rurdev.usda.gov/ia/rhsgupdate.html>

RD Properties for Sale <http://www.resales.usda.gov/>

USDA, Rural Development <http://www.rurdev.usda.gov/>

Iowa USDA, Rural Development <http://www.rurdev.usda.gov/ia/>



USDA, Rural Development offices will be **closed** on the following days:

Friday, November 11, 2005 - Veteran's Day

Thursday, November 24, 2005 - Thanksgiving Day

Monday, December 26, 2005 – in observance of Christmas Day

Monday, January 2, 2006 – in observance of New Year's Day

Iowa State Office Single Family Housing Staff

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Lender Assignments to **RD offices** are based upon the location of the customer's main office. Iowa RD offices may be found at http://www.rurdev.usda.gov/ia/la_locations.html (click on the address or type it into your browser).

To request changes to our email list such as removals or additions, please e-mail heather.honkomp@ia.usda.gov with your request. Be sure to include contact name, business name, location, phone number, and email address. We appreciate your assistance with the maintenance of our email list.

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USDA Rural Development is an equal opportunity lender, provider and employer.

Complaints of discrimination should be sent to: USDA, Director, OCR, Washington, D.C. 20250-9410